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## **DEPARTMENT OF LABOR**

### **Employment and Training Administration**

#### **Updated Methodology for Selecting a Job Corps Center for Closure and Center Selected for Closure: Comments Request**

**AGENCY:** Employment and Training Administration (ETA), Labor.

**ACTION:** Notice.

**SUMMARY:** The Employment and Training Administration of the U.S. Department of Labor (the Department or DOL) issues this notice announcing an update to its existing criteria for selecting Job Corps centers for closure based on a center's chronic low performance, and also announcing two new criteria for selecting a Job Corps center for closure: 1) When a joint decision is made by the Secretary of Labor and the Secretary of Agriculture to close a Civilian Conservation Center (CCC); or 2) when the Department determines that a high-quality education and training program cannot be provided at the center. Additionally, the Office of Job Corps issues this notice to propose the closure of one center based on the low-performance methodology that the Department first published in 2014 and updates with more recent data in this Notice: the Ouachita Job Corps Center in Royal, Arkansas. This notice seeks public comment on the proposal to close the Ouachita Center.

**DATES:** To be ensured consideration, comments must be submitted in writing on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

**ADDRESSES:** You may submit comments, identified by **Docket ID number ETA-2016-0002**, by only one of the following methods:

Federal e-Rulemaking Portal: <http://www.regulations.gov>. Follow the Web site instructions for submitting comments.

Mail and hand delivery/courier: Submit comments to Lenita Jacobs-Simmons, National Director, Office of Job Corps (OJC), U.S. Department of Labor, Employment and Training Administration, 200 Constitution Avenue, NW, Room N-4459, Washington, DC 20210. Due to security-related concerns, there may be a significant delay in the receipt of submissions by United States Mail. You must take this into consideration when preparing to meet the deadline for submitting comments. The Department will post all comments received on <http://www.regulations.gov> without making any changes to the comments or redacting any information, including any personal information provided. The <http://www.regulations.gov> Web site is the Federal e-rulemaking portal and all comments posted there are available and accessible to the public. The Department recommends that commenters not include personal information such as Social Security Numbers, personal addresses, telephone numbers, and e-mail addresses in their comments that they do not wish to be made public, as such submitted information will be available to the public via the <http://www.regulations.gov> Web site. Comments submitted through <http://www.regulations.gov> will not include the e-mail address of the commenter unless the commenter chooses to include that information as part of his or her comment. It is the responsibility of the commenter to safeguard personal information.

Instructions: All submissions received should include the Docket Number for the notice: **Docket ID number ETA-2016-0002**. Please submit your comments by only one method. Again, please note that due to security concerns, postal mail delivery in Washington, D.C. may be delayed. Therefore, the Department encourages the public to submit comments on <http://www.regulations.gov>.

Docket: All comments on the selected Job Corps Center for closure will be available on the <http://www.regulations.gov> Web site. The Department also will make all of the comments it receives available for public inspection by appointment during normal business hours at the

above address. If you need assistance to review the comments, the Department will provide appropriate aids such as readers or print magnifiers. The Department will make copies of this methodology and the Job Corps center selected for closure available, upon request, in large print and electronic file on computer disk. To schedule an appointment to review the comments and/or obtain the notice in an alternative format, contact the Office of Job Corps at (202) 693-3000 (this is not a toll-free number). You may also contact this office at the address listed below.

**FOR FURTHER INFORMATION CONTACT:** Lenita Jacobs-Simmons, National Director, Office of Job Corps, ETA, U.S. Department of Labor, 200 Constitution Avenue, NW, Room N-4463, Washington, DC 20210; Telephone (202) 693-3000 (this is not a toll-free number).

Individuals with hearing or speech impairments may access the telephone number above via TTY by calling the toll-free Federal Information Relay Service at 1-(877)889-5627 (TTY/TDD).

**SUPPLEMENTARY INFORMATION:**

**I. Background**

Established in 1964, Job Corps is a national program administered by the Employment and Training Administration (ETA) in the Department of Labor. It is the nation's largest federally-funded, primarily residential training program for at-risk youth, ages 16-24. With 126 centers in 50 states, Puerto Rico, and the District of Columbia, Job Corps provides economically-disadvantaged youth with the academic, career technical, and employability skills to enter the workforce, enroll in post-secondary education, or enlist in the military.

Large and small businesses, nonprofit organizations, and Native American tribes manage and operate 99 of the Job Corps centers through contractual agreements with the Department of Labor awarded pursuant to federal procurement rules, while 27 centers are operated through an interagency agreement with the U.S. Department of Agriculture (USDA). Job Corps receives

annual funding to operate contractor-operated centers and USDA centers, administer the program, and build, maintain, expand, or upgrade a limited number of new and existing facilities.

The Workforce Innovation and Opportunity Act (WIOA), which became effective on July 1, 2015, directs DOL to “establish written criteria that the Secretary shall use to determine when a Job Corps center supported under this part is to be closed and how to carry out such closure[.]” 29 U.S.C. 3211(c)(1). In August 2014, the Department published a methodology to apply when proposing a center for closure based on its chronic low performance. In December 2014, the Department provided a report to Congress indicating that it would use the August 2014 criteria in deciding future closures and would update its closure criteria in the future. That report also indicated that the Secretaries of Labor and Agriculture might agree to close a CCC operated by the U.S. Forest Service. This Notice describes the Department’s updated closure criteria; in addition, this Notice proposes one center for closure.

## **II. Closure Criteria**

The Department is constantly making efforts to ensure that Job Corps’ limited resources are used to deliver the best possible results for students. As part of these ongoing efforts, the Department may determine that closing a center will allow Job Corps to provide the highest-quality program to its students more effectively.

The three criteria described below are the criteria that the Department will use to determine when a Job Corps center should be closed:

- Closure based on chronic low performance, as announced in an August 2014 Federal Register notice (79 FR 51198), with one change described below to use the most recent five years available.
- Closure based on a joint decision of the Secretaries of Labor and Agriculture, described in a December 2014 report to Congress and further explained in this notice.

- Closure based on an evaluation of the effort required to provide a high-quality education and training program at the center.

Closure may be based on any one of the three criteria, and a single criterion may be applied independently of the others. Thus, while a center may qualify for closure under more than one criterion, DOL may choose to rely on only one criterion when deciding to propose a center for closure. The relevant additional considerations described below will be considered and applied depending on which criterion the Department utilizes.

Job Corps, as with any education and training program, must respond to the changing needs of the students it educates and the career fields for which it provides training. As a result, the Department will continue to review and refine these criteria or add more closure criteria as necessary to best carry out Job Corps' mission.

#### **A. Long-Term Center Performance**

DOL is not altering the performance-based criteria it announced in its August 27, 2014 closure methodology, except for changing the five-year period of data reviewed from Program Years (PYs) 2008-2012 to the most recent five years available. As explained below, DOL applied the performance-based criteria in deciding to propose closing the Ouachita Center.

As was more fully discussed in the August 27, 2014 Notice, chronically low-performing centers do not benefit the population of young people Job Corps aims to empower, and are a poor use of Job Corps' limited program dollars. DOL will continue to consider for closure those Job Corps centers marked with consistent and entrenched poor performance in order to better serve the nation's youth in acquiring career skills through quality job training.

Accordingly, DOL will continue to use the following performance-based criteria against which all centers are measured in evaluating whether a center should be closed:

1. Five-year Outcome-Measurement System (OMS) performance level;
2. Five-year On-Board Strength (OBS); and
3. Five-year Facility Condition Index (FCI).

A short description of these three factors is included below:

***1. Five-Year Outcome-Measurement System (OMS) Performance Levels.***

OMS is a collection of 15 metrics that provide a comprehensive assessment of center performance, which allows for comparison of performance among centers and supplies enough data for decision makers to identify trends over time. These published performance metrics have driven center performance and programmatic decisions for more than a decade. Accordingly, the primary performance-based factor in selecting a center for closure is a center's OMS data.

In applying this factor, the Department will evaluate each center's overall OMS ratings for the five most recent full program years to derive a weighted five-year average performance rating. This updated methodology uses OMS performance data for the five most recent completed program years, with recent years receiving a greater weight than earlier years. Further, the original OMS ratings for each of the five program years, which exceeded 100% for some centers, were normalized at one hundred percent (100%) to be consistent with OBS and FCI. "Normalized" means the data has been placed on a 100-point scale. The calculation formula for the methodology also contains normalized data for OMS.

The year-by-year weighted structure is as follows (these years will be automatically updated going forward):

PY 2014	30%
PY 2013	25%
PY 2012	20%

PY 2011	15%
PY 2010	10%
Total:	100%

The calculation formula for five-year performance for the methodology is as follows:

**Center's five-year weighted average rating x 90% = Overall Performance Rating**

## **2. *On-Board Strength (OBS)***

On-Board Strength is an efficiency rating that demonstrates the extent to which a center operates at full capacity. The measure is reported as a percentage, calculated by the center's actual capacity for student slots divided by the planned capacity to fill those slots (daily number of students that a center is authorized to serve). The national goal for OBS is 100% in order to operate the program at full capacity, maximize program resources, and fulfill the mission of serving the underserved student population.

This factor evaluates each center's end of Program Year OBS rating for five full program years to derive a five-year average rating. As explained above in the context of OMS data, the updated closure methodology uses OBS data from the most recent five-year period. As noted in the August 27, 2014, Federal Register Notice there were anomalies to the OBS data for PY 2011 and PY 2012 caused by temporary enrollment suspensions. The May 31, 2012, PY-Cumulative OBS (PY-COBS) report will be used as the basis for assessing center-level OBS performance for PY 2011. The January 31, (PY-COBS) report will be used as the basis for assessing center-level OBS performance for PY 2012.

The updated methodology weights each of the last five program years' OBS data, with more recent years receiving more weight to incorporate performance improvement. Finally, the OBS ratings for each of the five program years were normalized at one hundred percent (100%), so as to be consistent with the OMS and FCI data.

The year-by-year weighted structure is as follows (these years will be automatically updated going forward):

PY 2014	30%
PY 2013	25%
PY 2012	20%
PY 2011	15%
PY 2010	10%
Total:	100%

The calculation formula for five-year OBS for the methodology is as follows:

**Center's five-year weighted average cumulative OBS x 5%= Overall OBS Rating**

### ***3. Facility Condition and Physical Plant***

Facility quality is critical for a residential educational program that houses its students on-site 24 hours a day, seven days a week, for much of the year. Poor facilities make it harder for students to learn and ultimately gain the job skills necessary to join and contribute to the American workforce. Each Job Corps center is a fully operational complex with academic and career technical training facilities, dining and recreation buildings, administrative offices, and residence halls (with the exception of solely non-residential facilities), including the surrounding owned or leased property on which the center is located.

To properly manage the program's facility and condition needs, Job Corps uses the FCI and gives each center an annual rating. This rating, which is expressed as a percentage, accounts for the value of a center's construction, rehabilitation, and repair backlog, as compared to the replacement value of the center's facilities. Facility conditions affect the outcomes of the Job



Corps program because good outcomes begin with facilities that contribute to a safe learning environment.

For this factor, the Department evaluated each center's FCI, which takes into account all construction projects completed over the same five-year period as the other two factors.

As with the performance and OBS criteria, the updated methodology applies weights to each of the five latest program year's FCI data, with more recent years receiving more weight to incorporate any recent improvement. The year-by-year weighted structure is as follows (these years will be automatically updated going forward):

PY 2014	30%
PY 2013	25%
PY 2012	20%
PY 2011	15%
PY 2010	10%
Total:	100%

The calculation formula for FCI for the methodology is as follows:

**Center's five-year weighted average FCI rating x 5% = Overall FCI Rating**

Applying the three performance-based factors above yields an overall rating for each center, allowing DOL to rank all centers based on historical performance, with the lowest performing center receiving the lowest rating. The calculation formula for the overall rating is as follows:

Overall OMS Performance Rating (90%)	+	Overall OBS Rating (5%)	+	Overall FCI Rating (5%)	=	Overall Rating for Primary Selection Factors
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## **B. Agreement Between the Secretaries of Labor and Agriculture to Close Civilian Conservation Job Corps Centers (CCCs)**

Independent of the other two criteria, the Secretaries of Labor and Agriculture may jointly agree to close a CCC. These facilities are predominantly located in rural, sometimes remote locations and operated by the USDA through the U.S. Forest Service. As with other Job Corps Centers, these facilities provide skills training for disadvantaged young people to aid their entry into the American workforce, but with additional focus on conserving the United States' natural resources and providing assistance during natural disasters.

This joint decision to close a center will take into account past efforts to improve the center's deficiencies, the prospect for improving those deficiencies, the impact on the mission and workforce of both departments, and the purpose and goals of the Job Corps program. The rationale behind the Agriculture and Labor Secretaries' decision to close a CCC will be detailed in a notice proposing the action. The Secretaries' decision to propose a CCC for closure under this criterion also will take into account the relevant additional considerations, detailed below. This basis is independent of other performance improvement and restructuring and reform efforts initiated by either Department or mandated by WIOA to address performance challenges at the CCCs. Finally, this criterion does not limit the Department's authority to propose closing a CCC based on the other closure criteria, regardless of whether the Secretaries jointly agree to close the center.

This new criterion was not used as the basis to propose the closure of Ouachita. While the Ouachita Center is a CCC, the Department made this decision based upon chronic low performance, the criteria first described in the August 2014 Federal Register notice.

## **C. Evaluation of Continuing Center Operations**

The Department has determined that it may be necessary to close a center for reasons other than chronic low performance or agreement with the Secretary of Agriculture. Job Corps constantly evaluates the needs of each center it operates. Some centers, for a variety of reasons, face more difficult challenges than others in providing a safe, secure environment where participants can receive high-quality education and training. Some challenges develop over time, while others arise more rapidly. Challenges may involve the condition of the facility; its proximity to relevant job markets; the ability of the center to attract students; the impact of one-time events; or, a host of other factors. Addressing these challenges may require sustained efforts that involve significant programmatic, staff, capital, organizational, and/or other investments and resources. Even with such a commitment, it may be difficult to anticipate or achieve positive outcomes for students. In such a situation, Job Corps will carefully assess: 1) The ongoing needs of the center against those of the program overall; 2) the effort required to provide and maintain a high-quality, safe and productive living and learning environments; and 3) whether that effort is likely to ultimately produce an outcome that contributes to the program's overall strength and integrity. After reviewing all relevant information the Department may decide to propose a center for closure.

This new criterion was not utilized in making the decision to propose to close the Ouachita Job Corps Center.

#### **D. Additional Considerations**

After applying any of the three criteria described above, the Department will consider the following factors, as appropriate, when deciding whether it should propose a center for closure:

##### **1. Job Corps Services for Residents in Each State, Puerto Rico, and the District of Columbia.**

The Department is committed to providing services in a broad geographic area. When deciding to propose a center for closure, DOL will ensure that it maintains at least one Job Corps center in each state, the Commonwealth of Puerto Rico, and the District of Columbia, and will take into consideration whether a center's closure would have a disproportionate impact on the training opportunities for students in any one state. Additionally, Job Corps is committed to ensuring that a state's population, especially of young people who are eligible and could benefit from participating in the program, are adequately exposed to its opportunities and services. Accordingly, in applying the criteria, DOL will ensure that it does not too rapidly reduce Job Corps' presence in any one state.

**2. Sufficiency of Data Available to Evaluate Center Performance.**

The Department will not consider for closure under the performance-based criteria any center for which it does not have sufficient data to evaluate that center's performance. The centers in Ottumwa, Milwaukee, Pinellas County, Denison, Long Beach, Gulfport, Wind River, and Manchester are not included for consideration for closure. For each of these centers, there is not enough OMS data to evaluate the center's performance over the full five-year performance period. The reasons for the lack of five years' continuous data for these centers include: four new centers were opened during the five-year performance period (Ottumwa, Milwaukee, Wind River, and Manchester); three centers were excluded from OMS evaluation because of their selection as Center for Excellence (CFE) pilot sites (Pinellas County, Denison, and Long Beach); and one center operated at reduced capacity because of damage received during Hurricane Katrina (Gulfport).

**3. Indication of Significant Recent Performance Improvement.** When applying the performance-based criteria, the Department will consider evidence of recent performance

improvement. Therefore, a center will be removed from closure consideration if it is performing in the top half of centers in the most recent full year of performance data.

#### **4. Job Corps' Commitment to Diversity.**

Job Corps currently serves a diverse student population and remains committed to serving disadvantaged youth from all backgrounds. In making final closure decisions under any of the three criteria, we will consider whether a center's closure would result in a significant reduction in student diversity within the overall Job Corps system.

### **III. Job Corps Centers Selected for Closure**

Based on the performance-based criteria, and after applying the additional considerations described above, the Department proposes to close the Ouachita Job Corps Center in Royal, Arkansas. As noted above, the two new criteria did not factor into this decision.

In applying the performance-based criteria, the Department first calculated the five-year OMS performance level, the five-year OBS, and the five-year FCI and then calculated the Overall Rating for Primary Selection Factors, as described above, using data from PY 2010-2014. The Ouachita Job Corps Center in received the lowest Overall Rating for Primary Selection Factors and, therefore, the lowest ranking.

After ranking the centers based on the primary criteria, the Department then applied the additional considerations. The Department determined that these considerations did not preclude closure of the Ouachita Job Corps Center. The Department is requesting public comments on the selection of the Ouachita Job Corps Center for closure.

The Department will implement the closure process pursuant to the center closure requirements outlined in the WIOA at section 159(j) and as stipulated in the DOL/USDA Interagency Agreement.

#### **IV. The Process for Closing Job Corps Centers, as Outlined in the Workforce Innovation and Opportunity Act (WIOA)**

The Department's process for closing Job Corps centers will follow the requirements of section 159(j) of the WIOA, which include the following:

- The proposed decision to close a particular center is announced in advance to the general public through publication in the Federal Register or other appropriate means;
- A reasonable comment period, not to exceed 30 days, is established for interested individuals to submit written comments to the Secretary; and
- The Member of Congress who represents the district in which such center is located is notified within a reasonable period of time in advance of any final decision to close the center.

This Notice serves as the public announcement of the decision to close the Ouachita Job Corps Center. The Department is providing a 30-day period for interested individuals to submit written comments on the proposed decision to close these centers.

**Portia Wu,**

*Assistant Secretary for Employment and Training.*

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